have been taken to reduce losses and strengthen Regional Rural Banks financially:—

(i) Share Capital of each RRB is raised from Rs. 25 lakhs to Rs. One crore in a phased manner.

(ii) Rate of interest on refinance from the Sponsor Banks has been reduced from 8.5 per cent to 7 per cent.

(iii) Regional Rural Banks have been enabled to invest SLR funds in Government Securities of higher yield.

Mounting overdues in Agricultural Finance

3542. SHRI SURESH PACHOURI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the recent trends in agricultural finance showing mounting overdues;

(b) if so, what are the total bank loans overdue at present in regard to agricultural finance; and

(c) what steps are being taken to recover these dues?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) The position regarding recovery, overdues etc. in respect of direct agricultural advances for all-Indian Scheduled Commercial Banks for the past 3 years is as under:—

(Amount in crores of Rs.)

Year ended June	Demand	Recovery	Overdues	Percentage of overdues to demand
1985	3424	1856	1568	45.8
1986	4017	2274	1743	43.4
1987	4592	2622	1970	42.9

Although overdues are increasing in absolute terms their percentage to total annual demand is showing a downward trend.

(c) In order to improve the recovery of overdues, banks have been advised to take measures like strengthening of the organisational structure, adopting of schematic appraisal systems, post lending supervision and launching of recovery drives with the help of State Government. Banks have also been advised to create separate 'Recovery Cell' for a cluster of nearby branches for continuous and effective supervision. As a last resort, legal action is also taken against wilful defaulters for recovery of outstanding overdues.

Foreign exchange spent on Automobiles and Electronic Industry

3543. SHRI RAJNI RANJAN SAHU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that total foreign exchange spent annually on imports for automobile and electronic industry is of the tune of Rs. 1200 crores to Rs. 1500 crores; and

(b) if so, what steps have been taken by Government to cut down this huge foreign exchange spending?